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DIVISION OF
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OIL, GAS & MINING

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September 26, 1989

Mr. Wayne Hedberg
Division of Oil, Gas and Mining
Department of Natural Resources
State of Utah
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

Re: M/019/005 Moab Salt, Inc.
Cane Creek Mine
Grand County, Utah

Dear Wayne:

As stated in my letter of September 20, 1989, enclosed is Self Bonding and Indemnity Agreement, in duplicate, executed on behalf of Moab Salt, Inc., and Texasgulf Inc., under date of September 25, 1989. Following execution on behalf of the Board of Oil, Gas & Mining, please return a fully executed copy for my further handling.

Yours very truly,


O. W. Gushee, Jr.

OWG:bt
0598.05
Enclosure
cc: Gene McGuire (w/o encl.)
Alan Tapp (w/o encl.)
Rick York (w/o encl.)

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
3 Triad Center, Suite 350
355 West North Temple
Salt Lake City, Utah 84180-1203
(801) 538-5340

SELF BONDING AND INDEMNITY AGREEMENT

This Self Bonding and Indemnity Agreement (hereinafter referred to as "Agreement") entered into by MOAB SALT, INC. and the state of Utah, Department of Natural Resources, Board of Oil, Gas and Mining (hereinafter referred to as "Board"),

WITNESSETH

WHEREAS, Moab Salt, Inc. has obtained Permit No. M/019/005 from the Division of Oil, Gas and Mining to operate the Cane Creek Mine ("Mine") in Grand County, Utah under the Mined Land Reclamation Act, Utah Code Annotated, 40-8-1 et seq, 1953, as amended, ("Act") and implementing regulations; on the premises specifically described in EXHIBIT A; and

WHEREAS, Moab Salt, Inc. wishes to obtain a bond to operate the Mine under Permit No. M/019/005 under 40-8-14(3); and

WHEREAS, Moab Salt, Inc. has designated CT Corporation Systems, 50 West Broadway, 8th Floor, Salt Lake City, Utah 84101, as its agent for Service of Process in the state of Utah, and

WHEREAS, Moab Salt, Inc.'s Guarantor, Texasgulf Inc., has been in continuous operation as a business entity for the last five years; and

WHEREAS, Texasgulf Inc. meets financial criteria for self bonding (as shown in the attached financial sheet); and